

**SALES OF EXISTING SINGLE-FAMILY HOMES
BY PRICE CLASS
APRIL 1988^p
(Percentage Distribution)**

Price Class	United States	Northeast	Midwest	South	West
\$ 19,999 or under	1.7	1.3	3.2	1.4	0.6
\$ 20,000 - \$ 29,999	2.4	1.0	4.2	2.6	0.8
\$ 30,000 - \$ 39,999	4.9	1.8	8.1	5.5	2.1
\$ 40,000 - \$ 49,999	7.5	2.5	11.7	8.5	3.8
\$ 50,000 - \$ 59,999	8.6	3.5	12.3	9.8	5.6
\$ 60,000 - \$ 69,999	10.0	4.6	14.0	11.0	7.3
\$ 70,000 - \$ 79,999	8.5	4.3	10.5	9.3	7.9
\$ 80,000 - \$ 89,999	8.2	4.6	9.8	9.1	7.2
\$ 90,000 - \$ 99,999	6.6	3.9	6.8	7.6	6.8
\$100,000 - \$119,999	9.1	8.0	7.5	9.2	11.7
\$120,000 - \$159,999	13.8	22.0	7.4	12.2	18.2
\$160,000 - \$199,999	7.7	17.0	2.2	6.9	9.6
\$200,000 - \$249,999	4.6	11.2	1.2	2.9	6.9
\$250,000 and over	6.4	14.3	1.1	4.0	11.6
Total	100.0	100.0	100.0	100.0	100.0
Median Price	\$87,700	\$145,100	\$67,500	\$82,100	\$113,700

^p Preliminary

HOUSING AFFORDABILITY

Year	Median-Priced Existing Single-Family Home	Mortgage Rate*	Monthly P & I Payment	Payment as % Income	Median Family Income	Qualifying Income**	Affordability Indexes		
							Composite	Fixed	ARM
1982	\$67,800	15.38%	\$702	35.9%	\$23,433	\$33,713	69.5	69.4	69.7
1983	70,300	12.85	616	30.1	24,580	29,546	83.2	81.7	85.2
1984	72,400	12.49	618	28.2	26,433	29,650	89.1	84.6	92.1
1985	75,500	11.74	609	26.2	27,735	29,243	94.8	89.6	100.6
1986	80,300	10.25	563	23.0	29,458	27,047	108.9	105.7	116.3
1987	85,600	9.28	565	21.8	31,100	27,101	114.8	108.0	123.0
1987									
Apr	\$86,000	9.09%	\$558	22.3%	\$30,005	\$26,786	112.0	110.1	119.8
May	86,000	9.27	567	22.6	30,142	27,216	110.8	108.0	118.9
Jun	85,900	9.38	572	22.7	30,279	27,448	110.3	104.6	120.9
Jul	88,300	9.41	589	23.3	30,416	28,289	107.5	99.4	116.7
Aug	86,500	9.40	577	22.7	30,553	27,688	110.3	102.1	119.3
Sep	85,500	9.25	563	22.0	30,689	27,010	113.6	104.2	122.2
Oct	84,600	9.22	555	21.6	30,827	26,655	115.7	104.4	124.0
Nov	85,000	9.25	559	21.7	30,963	26,852	115.3	103.8	122.4
Dec	85,400	9.20	560	21.6	31,100	26,860	115.8	104.6	121.4
1988									
Jan	\$87,400	9.24%	\$575	22.1%	\$31,242	\$27,586	113.3	102.4	120.1
Feb	88,100	9.16	575	22.0	31,384	27,611	113.7	103.5	120.5
Mar ^r	87,900	9.14	573	21.8	31,526	27,500	114.6	106.3	123.1
Apr ^p	87,700	9.29	579	21.9	31,668	27,803	113.9	106.2	124.5

^r Revised

^p Preliminary

* Effective rate on loans closed on existing homes-Federal Home Loan Bank Board.

** Based on current lending requirements of the Federal National Mortgage Association using a 20 percent down payment.

CONDO AND CO-OP SALES

APARTMENT CONDO AND CO-OP SALES
(Seasonally Adjusted Annual Rates)

Year		United States	Northeast	Midwest	South	West
1982		130,000	45,000	26,000	39,000	20,000
1983		205,000	79,000	41,000	54,000	31,000
1984		230,000	96,000	45,000	55,000	34,000
1985		279,000	135,000	50,000	64,000	30,000
1986		332,000	166,000	60,000	73,000	33,000
1987		361,000	189,000	64,000	78,000	31,000
1987	I	344,000	172,000	65,000	78,000	29,000
	II	374,000	197,000	65,000	79,000	33,000
	III	370,000	201,000	66,000	73,000	31,000
	IV	340,000	169,000	57,000	81,000	33,000
1988	f	400,000	210,000	60,000	80,000	40,000

r revised

TOTAL EXISTING HOME SALES
SINGLE-FAMILY, APARTMENT CONDOS AND CO-OPS
(Seasonally Adjusted Annual Sales)

Year		United States	Northeast	Midwest	South	West
1982		2,120,000	399,000	516,000	819,000	386,000
1983		2,924,000	572,000	750,000	1,089,000	512,000
1984		3,098,000	607,000	800,000	1,128,000	563,000
1985		3,493,000	757,000	916,000	1,236,000	584,000
1986		3,897,000	869,000	1,051,000	1,334,000	643,000
1987		3,887,000	874,000	1,023,000	1,360,000	630,000
1987	I	3,980,000	880,000	1,140,000	1,350,000	620,000
	II	4,010,000	900,000	1,050,000	1,400,000	660,000
	III	3,810,000	880,000	950,000	1,350,000	630,000
	IV	3,730,000	840,000	950,000	1,340,000	610,000
1988	f	3,650,000	850,000	960,000	1,250,000	580,000

r revised

MEDIAN SALES PRICE OF APARTMENT
CONDOS AND CO-OPS, QUARTERLY
(Not Seasonally Adjusted)

Year		United States	Northeast	Midwest	South	West
1983		\$64,000	\$ 61,300	\$55,200	\$62,000	\$ 97,300
1984		65,100	64,700	55,600	63,300	94,600
1985		67,600	73,600	56,100	62,300	91,100
1986		72,600	84,900	58,700	64,600	90,800
1987		77,800	98,300	61,700	64,100	97,200
1987	I	\$71,600	\$ 85,600	\$59,300	\$61,500	\$ 89,000
	II	77,700	97,400	59,300	69,000	95,800
	III	80,300	100,000	65,800	62,900	101,500
	IV	78,300	108,800	58,700	59,100	99,300
1988	f	\$81,200	\$109,400	\$57,700	\$65,400	\$104,200

r revised

STATE SALES DATA

**TOTAL EXISTING HOME SALES FOR EACH STATE
SINGLE-FAMILY, APARTMENT CONDOS AND CO-OPS
(Units in Thousands)**

State	Years			Quarters (Seasonally Adjusted Annual Rate)				
	1985	1986	1987	1987				1988 ^r
				I	II	III	IV	I
Alabama	59.7	60.8	59.7	59.2	63.9	57.1	59.2	52.4
Alaska	10.0	6.1	7.7	4.8	7.9	8.9	9.1	8.5
Arizona	71.7	73.8	67.3	45.5	84.4	68.6	65.9	53.4
Arkansas	49.8	52.8	48.2	50.7	52.4	46.8	44.0	39.0
California*	407.2	484.6	507.0	439.3	570.1	507.2	515.1	491.5
Colorado	49.3	47.5	46.7	56.3	50.7	40.2	41.8	38.6
Connecticut	56.0	52.0	52.5	51.7	49.9	54.5	50.8	53.6
Delaware	12.3	12.9	13.9	13.5	14.5	14.0	13.4	12.5
District of Columbia	9.9	11.6	10.5	12.3	10.1	10.4	9.3	11.3
Florida	151.3	169.4	184.2	160.1	186.4	179.8	206.1	168.9
Georgia	65.1	75.1	89.0	80.1	104.9	89.7	81.1	88.7
Hawaii	7.9	10.0	11.5	10.7	12.5	11.4	10.9	11.1
Idaho	11.5	11.3	10.9	13.2	10.6	9.4	11.3	10.9
Illinois	140.5	179.2	175.3	172.4	168.6	191.8	178.2	168.6
Indiana	90.1	86.1	89.8	100.2	98.2	83.5	75.2	83.5
Iowa	39.5	46.1	48.3	56.8	47.8	58.0	44.0	58.0
Kansas	47.4	54.4	54.4	62.9	56.0	49.0	47.9	53.6
Kentucky	57.7	58.6	64.1	51.8	63.4	62.8	78.3	66.0
Louisiana	44.1	34.0	40.4	44.0	39.8	41.2	37.8	33.7
Maine	27.1	30.8	35.2	29.5	39.5	35.1	33.4	30.0
Maryland	80.9	86.9	78.5	68.7	78.9	82.3	83.6	72.9
Massachusetts	80.5	84.6	100.5	86.5	113.7	97.2	100.4	96.0
Michigan	167.2	186.6	169.6	194.6	185.7	151.2	151.2	173.6
Minnesota	73.9	96.8	89.4	128.8	78.2	75.2	75.9	78.2
Mississippi	35.5	34.2	34.2	35.5	36.6	34.7	30.8	28.1
Missouri	85.8	88.4	88.4	96.5	90.4	81.3	83.3	94.5
Montana	11.1	11.9	11.6	10.7	12.4	10.5	12.6	9.7
Nebraska	24.5	25.5	23.3	31.0	26.5	20.3	20.3	26.2
Nevada	10.0	11.0	12.2	9.3	13.0	13.9	11.7	11.5
New Hampshire	19.3	20.3	19.2	23.0	13.4	20.4	22.5	16.8
New Jersey	148.8	159.6	157.3	163.1	169.4	160.5	130.0	148.8
New Mexico	19.8	19.5	20.0	21.0	21.3	19.9	17.1	16.5
New York	190.7	216.8	223.9	242.8	240.9	214.4	195.4	206.8
North Carolina	123.3	139.2	140.6	140.4	149.9	140.4	130.9	135.7
North Dakota	8.9	9.5	11.2	15.9	10.0	10.0	11.1	13.0
Ohio	162.5	179.9	180.9	189.6	189.6	166.4	174.1	185.7
Oklahoma	46.8	49.4	44.6	41.5	43.0	46.1	46.8	44.5
Oregon	39.3	45.0	48.5	48.7	45.4	47.4	50.0	48.0
Pennsylvania	210.8	258.3	259.5	267.8	229.8	286.8	275.7	259.9
Rhode Island	13.2	13.5	13.4	12.2	14.0	14.2	12.6	12.5
South Carolina	52.6	58.0	60.9	51.3	68.3	64.0	58.4	43.8
South Dakota	11.3	13.2	13.0	13.7	13.3	12.6	12.8	14.9
Tennessee	99.2	112.0	111.2	109.9	118.7	112.3	103.6	99.6
Texas	203.8	198.9	224.3	201.0	226.5	234.9	237.8	212.3
Utah	15.5	14.6	14.6	17.9	13.7	13.7	14.0	14.0
Vermont	9.9	12.4	13.6	12.8	15.9	13.1	11.9	16.9
Virginia	107.2	130.4	113.0	118.0	118.0	110.3	107.4	111.4
Washington	43.8	50.6	43.6	45.4	41.9	53.2	39.3	45.4
West Virginia	37.7	39.7	36.6	47.0	31.6	37.8	31.0	55.9
Wisconsin	65.5	76.9	73.3	83.1	76.1	59.8	71.4	65.2
Wyoming	6.5	6.1	6.0	6.7	6.6	4.8	6.1	5.1

* Provided by the California Association of REALTORS®.

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METROPOLITAN AREA DATA

**MEDIAN SALES PRICE OF EXISTING SINGLE-FAMILY HOMES
FOR METROPOLITAN AREAS***
(Not Seasonally Adjusted in Thousands of Dollars)

Metropolitan Area	Years			Quarters				
	1985	1986	1987	1987				1988 ^r
				I	II	III	IV	I
Akron	\$ 52.7	\$ 56.2	\$ 57.1	\$ 54.7	\$ 56.9	\$ 57.8	\$ 58.1	\$57.1
Albany/Schenectady/Troy	60.3	72.7	86.4	80.1	86.5	88.6	90.3	87.0
Albuquerque	76.8	81.6	82.6	83.1	82.5	84.4	79.8	79.7
Orange County(Anaheim/Santa Ana MSA)**	136.2	147.7	166.9	156.1	167.3	167.7	174.5	183.8
Baltimore	72.6	74.0	81.1	81.0	76.8	81.9	84.3	83.6
Baton Rouge	74.6	70.9	67.8	68.3	68.1	69.2	65.5	65.7
Birmingham	64.5	68.3	71.6	67.5	72.7	71.6	73.9	73.1
Boston	134.2	159.2	177.2	170.0	176.2	182.2	177.5	176.9
Buffalo/Niagara Falls	46.7	52.4	56.7	55.6	56.8	56.6	59.2	64.1
Charleston	64.8	n/a	72.7	71.9	72.1	74.6	73.2	72.6
Chattanooga	52.3	55.3	59.0	57.5	58.9	58.8	60.3	61.2
Chicago	81.1	86.1	90.8	85.7	90.9	91.2	91.5	92.8
Cincinnati	60.2	n/a	66.1	63.8	65.9	66.9	69.1	66.7
Cleveland	64.4	66.9	68.1	62.9	68.8	68.5	67.6	66.5
Columbus	62.2	65.5	68.7	66.9	67.2	72.7	69.3	66.2
Dallas/Ft. Worth	87.7	92.8	89.2	91.2	90.0	89.3	85.8	85.9
Denver	84.3	86.4	88.9	89.9	88.2	91.0	86.5	83.7
Des Moines	52.5	55.9	55.6	55.9	56.8	56.2	52.1	54.5
Detroit	51.7	58.1	65.6	64.3	66.2	65.9	66.3	71.5
El Paso	57.6	59.0	59.2	58.0	58.0	62.6	58.6	57.8
Ft.Lauderdale/Hollywood/PompanoBeach	74.6	77.7	79.6	76.6	79.7	80.8	80.6	78.6
Grand Rapids	46.7	50.4	53.5	51.7	53.4	54.0	55.7	55.4
Hartford	99.6	129.0	157.4	136.6	157.0	165.4	163.9	166.4
Honolulu	162.1	172.0	186.0	174.0	182.9	190.6	193.3	198.4
Houston	78.6	69.9	65.9	64.7	67.4	67.3	62.8	60.2
Indianapolis	55.0	59.0	62.5	61.6	63.8	62.8	60.7	61.8
Jacksonville	58.4	62.8	65.1	62.7	65.8	66.3	65.2	68.9
Kansas City	61.4	65.4	69.8	72.9	71.1	69.2	68.5	70.9
Knoxville	58.2	60.3	65.4	63.2	66.2	66.1	65.6	66.3
Lansing	50.3	52.4	54.5	53.2	56.0	56.3	53.6	53.4
Las Vegas	75.1	77.5	77.0	76.1	77.9	76.7	76.7	75.7
Los Angeles Area **	n/a	128.8	139.5	130.1	139.6	145.4	145.2	159.9
Louisville	50.6	51.7	51.7	52.1	53.4	53.3	51.5	52.2
Memphis	64.6	70.6	75.0	70.6	76.9	75.2	76.3	77.5
Miami/Hialeah	80.5	81.1	81.1	74.7	84.4	83.5	80.4	78.0
Milwaukee	67.5	69.9	70.5	67.8	71.7	70.9	70.8	72.6
Minneapolis/St Paul	75.2	77.9	80.5	80.4	80.2	80.9	80.6	84.4
Nashville/Davidson	66.1	70.8	75.5	73.4	75.6	75.7	77.2	77.6
New Orleans	n/a	n/a	n/a	n/a	n/a	n/a	74.1	73.0
New York/Northern New Jersey/Long Island	134.0	160.6	183.5	169.4	183.0	190.3	185.1	187.0
Oklahoma City	64.7	63.0	62.3	62.4	65.2	61.4	59.5	56.5
Omaha	58.3	58.8	59.0	57.8	60.0	59.7	57.5	58.3
Orlando	70.3	72.5	76.2	73.6	76.4	72.9	78.7	78.7
Philadelphia	70.8	74.5	81.5	79.8	84.6	84.5	76.9	81.4
Phoenix	74.7	78.4	80.9	78.4	81.4	82.7	80.4	79.0
Pittsburgh	n/a	n/a	n/a	n/a	n/a	n/a	n/a	60.9
Portland	61.5	62.6	64.2	62.7	64.3	64.0	66.3	62.9
Providence	67.5	87.6	121.4	102.8	119.7	126.6	127.6	123.3
Riverside/San Bernadino**	87.3	94.5	98.7	91.9	98.3	100.7	101.2	95.5
Rochester	64.2	68.3	72.5	69.5	72.3	74.1	72.8	73.2
St. Louis	65.7	70.9	74.3	71.9	74.7	75.7	73.3	74.1
Salt Lake City/Ogden	66.7	68.5	69.4	68.1	69.5	71.1	67.9	65.3
San Antonio	67.7	69.2	70.2	67.6	72.6	72.1	67.6	63.4
San Diego**	106.4	118.2	128.8	121.1	127.1	131.7	131.8	134.4
San Francisco Bay Area**	n/a	n/a	171.4	161.3	169.9	175.9	176.0	178.8
Seattle/Tacoma	n/a	n/a	82.6	79.0	84.2	82.6	84.2	88.2
Syracuse	58.8	64.3	68.9	65.2	68.1	71.3	70.0	68.1
Tampa/St.Petersburg/Clearwater	58.4	61.1	63.8	59.8	64.9	65.0	63.4	60.2
Toledo	51.9	56.0	56.3	53.4	58.2	56.9	54.7	56.5
Tulsa	66.7	65.5	65.7	64.1	67.4	66.7	63.1	63.5
Washington, DC	97.1	101.6	114.2	106.2	115.0	117.7	121.5	132.4
West Palm Beach/Boca Raton/Delray Beach	88.3	92.6	102.6	96.9	108.8	99.1	102.4	91.5

n/a Not Available r Revised

* All areas are metropolitan statistical areas (MSA) as defined by the US Office of Management and Budget. They include the named central city and surrounding areas. **Provided by the California Association of REALTORS®.

NEW HOME MARKET

NEW PRIVATELY OWNED HOUSING UNITS STARTED
(Thousands of Units)

Year	Total	In structures with --			Regions			
		1 unit	2 to 4 units	5 units or more	Northeast	Midwest	South	West
1982	1,062	663	80	320	117	149	591	205
1983	1,703	1,068	114	522	168	218	935	382
1984	1,750	1,084	121	544	204	243	866	436
1985	1,742	1,072	93	576	252	240	782	468
1986	1,805	1,179	84	542	294	296	733	483
1987	1,621	1,146	66	409	269	298	634	420
Seasonally Adjusted Annual Rates								
1987 Apr	1,635	1,201	66	368	270	300	664	401
May	1,599	1,125	65	409	296	302	624	377
Jun	1,583	1,086	85	412	254	285	608	436
Jul	1,594	1,142	59	393	278	253	635	428
Aug	1,583	1,109	58	416	249	274	639	421
Sep	1,679	1,211	49	419	255	309	695	420
Oct	1,538	1,105	67	366	254	251	622	411
Nov	1,661	1,129	51	481	269	313	648	431
Dec	1,399	1,035	51	313	222	281	576	320
1988 Jan	1,382	1,016	53	313	306	226	463	387
Feb ^r	1,519	1,102	59	358	307	259	593	360
Mar ^r	1,554	1,176	61	317	291	268	563	432
Apr ^p	1,561	1,095	58	408	265	328	592	376

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Source: Census Bureau, U.S. Department of Commerce.

NEW ONE-FAMILY HOUSES SOLD
(Thousands of houses sold during period)

Year	United States					United States	North-east			
	United States	North-east	Midwest	South	West		North-east	Midwest	South	West
1982	412	47	48	219	99					
1983	623	76	71	323	152					
1984	639	94	76	309	160					
1985	688	112	82	323	170					
1986	750	136	90	321	190					
1987	671	117	98	272	186					
Seasonally Adjusted Annual Rates						Not Seasonally Adjusted				
1987 Apr	733	116	115	301	201	72	10	12	29	20
May	649	110	86	271	183	62	11	9	25	17
Jun	641	97	97	268	179	58	9	9	24	15
Jul	671	117	93	269	191	55	10	8	22	15
Aug	675	114	88	276	198	56	9	8	22	16
Sep	644	116	76	271	181	52	10	6	22	13
Oct	659	118	101	243	197	52	10	8	18	16
Nov	625	154	89	206	176	43	12	6	14	12
Dec	586	78	99	240	168	37	5	6	16	11
1988 Jan ^r	579	101	94	206	178	43	7	5	16	15
Feb ^r	645	113	106	263	163	55	8	8	24	15
Mar ^r	653	106	85	280	182	67	10	8	30	19
Apr ^p	679	109	90	288	192	69	10	10	28	21

Components may not agree with totals due to rounding.

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Source: Census Bureau, U.S. Department of Commerce.

**NEW HOUSES SOLD BY SALES PRICE CLASS
MONTHS OF APRIL
(Percentage Distribution)**

Price Class	Apr 1984	Apr 1985	Apr 1986	Apr 1987 ^p	Apr 1988 ^p
Under \$60,000	20	15	10	10	10
\$60,000 to \$79,999	31	28	24	21	16
\$80,000 to \$99,999	20	19	26	22	16
\$100,000 to \$119,999	9	11	12	11	13
\$120,000 to \$149,999	9	11	10	14	17
\$150,000 and over	12	16	18	22	29
Median Sales Price	\$79,600	\$85,600	\$92,500	\$96,500	\$110,500

Source: Census Bureau, U.S. Department of Commerce.

**NEW HOUSES SOLD BY SALES PRICE CLASS
FIRST QUARTER 1987^p
(Percentage Distribution)**

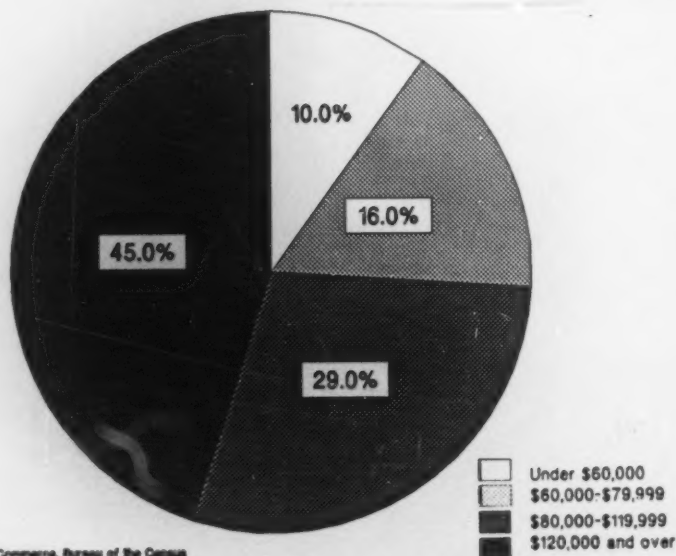
Price Class	United States	Northeast	Midwest	South	West
Under \$60,000	6	*	10	12	*
\$60,000 to \$79,999	23	8	19	27	25
\$80,000 to \$119,999	32	33	33	31	32
\$120,000 and over	39	58	38	30	43
Median Sales Price	\$109,000	\$142,000	\$106,000	\$90,000	\$124,800

* Insufficient Sample Size

^p Preliminary

Source: Census Bureau, U.S. Department of Commerce.

**NEW HOUSES SOLD BY SALES PRICE CLASS
APRIL 1988 ^p
(Percentage Distribution)**



Source: U.S. Department of Commerce, Bureau of the Census
^p Preliminary



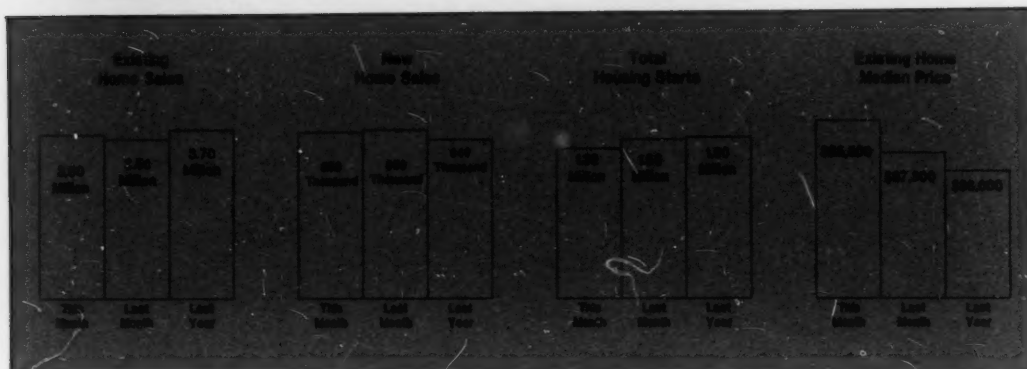
NATIONAL ASSOCIATION OF REALTORS®
Economics & Research Division
777 14th Street, N.W.
Washington, D.C. 20005

Home Sales

Existing and New Single-Family, Apartment Condos and Co-ops



HOME SALES SUMMARY



HIGHLIGHTS

- Home sales did not respond much to a further uptick in mortgage interest rates. Existing home sales increased a modest 3.1 percent while new home sales decreased less than one percent from their April levels.
- The supply of new and existing homes available for sale increased slightly more than one percent from April. The months' supply of existing and new homes on the market changed marginally to 9.3 months and 6.9 months, respectively.
- Housing starts posted a sharp 12.2 percent drop to a seasonally adjusted annual rate of 1,384,000 units.
- The median existing home price hit a new high of \$88,600. New home prices drifted slightly lower to \$110,000.
- Housing was made slightly less affordable because of an increase in the median price of an existing single-family home and a rise in the mortgage interest rates. The Housing Affordability Index decreased to 113.9.



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ECONOMICS AND RESEARCH DIVISION
NATIONAL ASSOCIATION OF REALTORS®

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SURVEY DESCRIPTION

Publication 1. "Home Sales" is a monthly publication of the NATIONAL ASSOCIATION OF REALTORS®.

Coverage 2. Each month the REALTORS® Economics and Research Division receives data on existing single-family home sales from over 400 Boards of REALTORS® and multiple listing systems. In 1985 data on over 1,590,000 existing single-family homes were received and processed.

3. Participating Boards are situated in every region of the country and provide wide geographic coverage of the existing home market. While almost all are located in, or adjacent to, standard metropolitan statistical areas, comparisons of their sales reports with data from the Annual Housing Survey show that, as a group, their experience is representative of the sales activity and prices that generally prevail in each region of the country.

Regions 4. Statistics on sales volume and price are published for the U.S. and for the four standard Census regions of the country. States contained in each region are as follows.

NORTHEAST

Connecticut
Maine
Massachusetts
New Hampshire
New Jersey
New York
Pennsylvania
Rhode Island
Vermont

SOUTH

Alabama
Arkansas
Delaware
Dist. of Columbia
Florida
Georgia
Kentucky
Louisiana
Maryland
Mississippi
North Carolina
Oklahoma
South Carolina
Tennessee
Texas
Virginia
W. Virginia

MIDWEST

Illinois
Indiana
Iowa
Kansas
Michigan
Minnesota
Missouri
Nebraska
North Dakota
Ohio
South Dakota
Wisconsin

WEST

Alaska
Arizona
California
Colorado
Hawaii
Idaho
Montana
Nevada
New Mexico
Oregon
Utah
Washington
Wyoming

5. Regional weights have been developed to represent the estimated importance of each region in the national existing home market. These weights are based on the regional distribution of owner-occupied single-family dwelling units and homeowner mobility. Weights are periodically revised to reflect shifts in regional demand. The most recent revision occurred in 1982 to reflect changes reported in the 1980 Census of Housing. Weights assigned each region are:

Northeast	14	South	35
Midwest	28	West	23

Sales Volume 6. Estimated total sales volume of single-family homes and condominiums and cooperatives for each region is computed by using a constant factor to blow up the reported sales of participating multiple listing systems. Regional factors were developed by analyzing the relationship between reported Board sales and measures of total market activity derived from special computer runs from the Annual Housing Survey tapes and from the 1980 Census of Housing.

7. Regional sales are then aggregated to yield national sales volume. Because of the method of computation, regional figures will not always total to the U.S. statistic. Such differences are due entirely to rounding.

8. Quarterly estimates for total existing home sales by state are developed subsequent to the national and regional single-family and apartment condominium/co-op statistics. A constant "blow-up" factor is used. These factors were developed by comparing sales reported by participating Boards to market activity benchmarks from the 1980 Census of Housing. State estimates are then adjusted to conform with regional totals.

9. In the main, a transaction is reported when the sales contract is signed, but a number of Boards report "closings." To the extent "closings" are contained in this series, they introduce a "distributive lag" effect which tends to smooth out month-to-month fluctuations in reported volume.

Sales Price 10. Median and average (mean) sales prices are computed for the U.S. and each region of the country and median sales prices are computed for selected metropolitan areas. Because of the nature of the distribution of home sales prices, the average (mean) sales price is higher than the median price.

11. Movements in sales prices should not be interpreted as measuring changes in the cost of a standard home. Prices are influenced by changes in cost and changes in the characteristics and size of homes actually sold.

12. There is a modest degree of seasonal variation in reported selling prices. Sales prices tend to reach a seasonal peak in July, and then decline moderately over the next three months before experiencing a seasonal upturn. However, sales prices are not seasonally adjusted.

Seasonal Adjustment 13. Volume statistics are seasonally adjusted using the X-11 Variant of the Census Method II Seasonal Adjustment Program of the Bureau of the Census. The procedure includes adjusting for trading day variation—the number of Mondays, Tuesdays, etc., in a particular month. This type of fluctuation in the data was found to be significant.

14. Sales in each region are first seasonally adjusted and then aggregated to yield the U.S. statistic.

15. Seasonal indices are based on monthly single-family home sales activity dating from July 1966. Seasonal patterns for apartment condominium cooperative sales and state home sales are based on a quarterly data beginning in 1975. New seasonal adjusters are constructed at the conclusion of each year. Data for the three preceding years are revised using these new seasonal factors.



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Looking Out for Number 1

The Baby Boom. Yuppies. The ME Generation. Dinks (Double income, no kids). In the popular press each of these words and phrases is used to describe a generation destined to change the face of American society because of their sheer numbers (and presumably their affluence as well). Housing analysts have long held that Americans between the ages of 25 and 34 were prime first-time home buyers. These would currently be younger adults, born between 1954 and 1963, clearly part of this generation. However, these young people are frequently encountering problems making the transition to homeownership.

The decade of the 80s has been particularly trying for these young households. In 1980, a full 55 percent of households in this age group were homeowners. Six years later only 45.4 percent had achieved their dream of homeownership. Some would say that the selfishness and impatience of that generation causes them to purchase consumer items immediately rather than saving for a long-term goal like a home. Others contend that the ability to save cannot keep up with the spiraling home costs. While this column has previously addressed the problems of housing affordability, this time it will focus on thosefortunates who are managing to purchase their first home.

In 1987, the NATIONAL ASSOCIATION OF REALTORS conducted a study of recent home purchasers (transactions in late 1986), both first-time and repeat buyers, which enabled the development of a profile of first-time buyers across the country. The information contained in this overview comes both from *The Homebuying and Selling Process: 1987*, and from a forthcoming report on the characteristics of first-time homebuyers, specifically.

In most parts of the country, first-time buyers represented roughly 30 percent of the home transactions in late 1986. However, the torrid pace of housing activity in the Northeast spilled over to buyers who were afraid the market would totally pass them by if they didn't buy now. Accordingly, 36 percent of the transactions in that region were with buyers purchasing their first home.

The first-time buyers were a relatively affluent group, with a median income of \$36,000, more than double the income level of renter households generally. Just 10 percent of the first-timers had incomes below \$25,000 while 14 percent had household incomes of \$60,000 or more. This income level is all the more remarkable when it is realized that the typical first-time homebuyer is not yet 30 years old.

Household composition gives a bit of a clue to this high income level. Over seven out of ten first-time homebuyers are married or at least multiple adult households. While the tendency exhibited by the baby boom generation to postpone marriage and families for awhile, and the attention lavished on the affluent single presumes a growing market share for single-person households in the housing market, the historical pattern of marriage, then buying a house, continues to predominate. Moreover, the average number of incomes in the first-time homebuyer household is 1.6. Surprisingly, the same number of incomes per household are observed in repeat-buyer purchases.

Servicing the first-time homebuyer requires more than an understanding of their ability to afford homes. It requires an understanding of what these buyers are seeking in a home. Three-quarters of the homes purchased by this group are existing homes, typically single-family detached. As expected, the homes purchased are smaller than those acquired by their repeat counterparts, but the typical size is a comfortable 1400 square feet. Consistent with the statistics presented in *Home Sales*, the typical first home purchased has 3-4 bedrooms.

Since the homes purchased by first-time buyers are smaller than those purchased by other households, it comes as no surprise that the prices are somewhat lower as well. This is not to say that the prices were low, because they certainly were not. The median price paid by a first-time buyer was \$75,500. It's no wonder that two incomes were usually required or that public policy makers are concerned with the future of owner-occupied housing.

Looking out for number one? It means understanding the potential and limitations of the first-time homebuyer market, and how those buyers can be helped to find a home they can own, even if it is not the home of their dreams. It also means protecting the long-term ability of young households to take a giant step up the ladder of the American Dream by pursuing policies designed to preserve the concept of affordable ownership housing.

Glenn E. Crellin
Division Vice President

The May Housing Market

Housing markets during May showed little reaction to the recent increases in mortgage interest rates. Homebuyers, taking further comfort in good economic news—particularly further reductions in unemployment and increases in exports—continue to adjust their housing needs. While existing home sales increased a modest 3.1 percent to a seasonally adjusted annual rate of 3,630,000 units, new home sales were marginally lower at a 658,000 unit annualized rate.

All four regions contributed to the increase in existing homes sales during the month with the Northeast, Midwest, and South at their highest levels of the last twelve months. Sales volume in the Northeast climbed 10.4 percent to an annualized rate of 740,000 units. Activity in the Midwest was up a more modest 3.2 percent to a 960,000 unit pace. The South posted the sharpest gain, 18.6 percent to a rate of 1,340,000 units. The West was only slightly above last month's level at a 620,000 annualized rate.

New home sales in May were virtually unchanged from April. When viewed on a regional basis, however, sales were mixed. The Northeast registered a 7.3 percent decrease to a seasonally adjusted annual rate of 101,000 units. By contrast, there was an offsetting increase in the Midwest where volume increased 6.4 percent to an annualized pace of 100,000 units. Activity in the South and West were within one percent of the prior month at rates of 271,000 units and 185,000 units, respectively.

Inventory Available For Sale

As in the case of home sales the total inventory of existing and new homes available for sale showed little

change—increasing a modest 1.4 percent to 3,185,000 units from the April level and consistent with the apparent calm that was over the market in May.

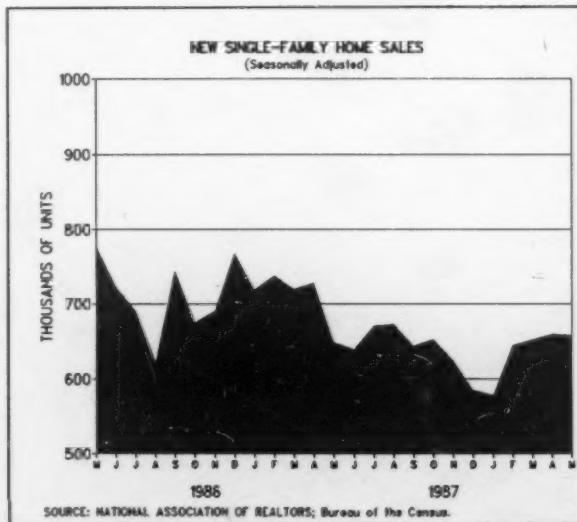
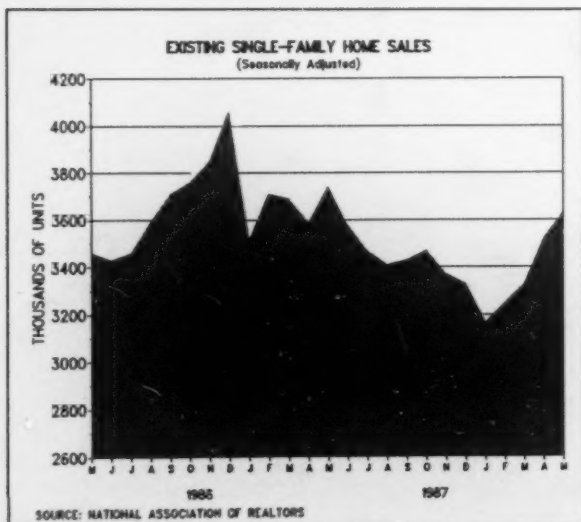
By the same token, the months' supply of existing and new homes on the market in May differed from the prior month by only a tenth of a month. The months' supply of existing and new homes was 9.3 months and 6.9 months, respectively.

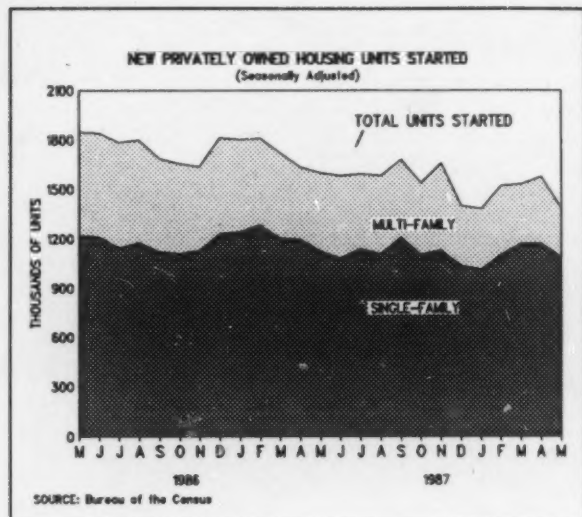
Housing Construction

Steady upward pressure on interest rates and adequate inventories of unsold homes discouraged builders starting from new projects this May. New home construction dropped sharply with privately owned housing starts off by 12.2 percent to a seasonally adjusted rate of 1,384,000—within 2,000 units of the 12-month low of 1,382,000 units reached in January.

This slowdown in construction was widespread with all four regions of the country reporting decreases. The sharpest declines were in the Northeast and Midwest where starts fell a little over 22 percent to seasonally adjusted annual rates of 206,000 units and 269,000 units, respectively. Declines were moderate in the South and West with decreases of 6.4 percent to 555,000 units and 4.8 percent to 354,000 units, respectively.

As suspected, last month's sharp rebound in multifamily starts turned out to be an aberration. After touching a rate of 430,000 units, construction of buildings with five or more units dropped back to a seasonally adjusted rate of 333,000 units—more in line with the average of the first four months of the year.

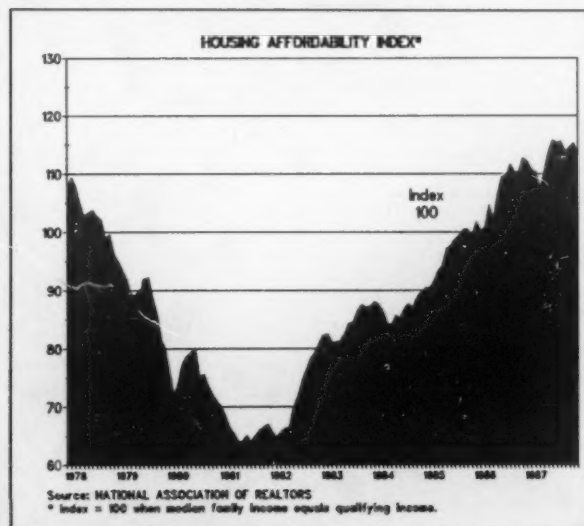




Home Sales Prices

Home sales prices were steady in May with the cost of both types of housing at generally higher levels than a year ago. In fact, the median price of an existing single-family home climbed to a new high of \$88,600 after declining for three straight months. Meanwhile, the median price of a new home decreased less than one percent to 110,000.

Prices of resale homes in the three of the four regions reached new all-time highs in May -- the South being the exception. There is still no sign of a significant softening of prices in the Northeast where the median region climbed \$10,500 in May to \$148,700, 11 percent above May of a year ago. The Midwest and South increased modestly with the Midwest up 1.0 percent to a new high of \$68,300 and the South posting an increase of 2.5 percent to \$83,100. The West reported a hefty increase of 5.0 percent to \$122,000 easily surpassing the previous high of \$119,200 reached two months ago.



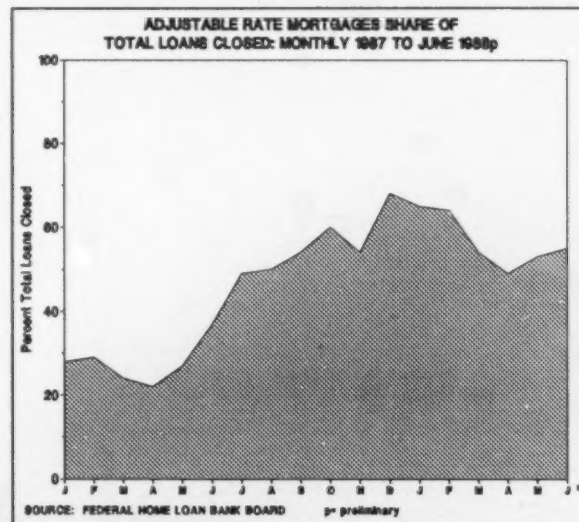
Resale Housing Affordability

Continuing increases in median family income partially offset the combined effect of increases in the median price of an existing single-family home and the mortgage interest rate to keep the Housing Affordability Index well above the 100 level at 113.9.

Currently, the index indicates that a family earning the median family income of \$31,810 had 13.9 percent more income than the minimum required to qualify for a conventional loan covering 80 percent of the median existing home price of \$88,600.

Despite the decrease in the composite affordability index, the gap between the fixed rate and adjustable rate index represents an 18.1 point spread. This is a modest eight-tenths of a point below last month's level and equal to the average of the past six months. Clearly, those mortgage seekers in need of flexibility still have an opportunity to turn an ARM to their advantage.

In fact, while the popularity of the ARM waned this spring as interest rates began to increase it is still a popular instrument, garnering a 55 percent share of total loans closed. Its highest level of popularity was reached in December 1987, when ARMs accounted for 68 percent of all loans closed. The proportion of ARMs since then gradually declined to 49 percent in April when it reversed.



Condominium/Cooperative Resales

Nationally, first quarter 1988 apartment condominium/cooperative resales reached a seasonally adjusted annual rate of 397,000 units, the highest level since the 403,000 unit pace in the last quarter of 1986 when sales were unusually strong across the country.

Regional comparisons illustrate the broad strength of the market during the period. The Northeast was strongest, posting a sharp 21.5 percent gain to an an-

nualized rate of 209,000 units. The West was next most active with a year-to-year gain of 34.5 percent to 39,000 units. Activity in the Midwest was slightly below the pace of a year ago, slipping 1.5 percent to a 64,000 unit rate.

Apartment condo and co-op prices broke into new high ground in the first quarter, reaching \$81,200, 13.4 percent above last month as well as a year ago. Three of the four regions posted higher prices than the preceding quarter. The Northeast edged up less than one percent to \$109,400 while the Midwest retreated a modest 1.7 percent to \$57,700.

Prices in the South and West were somewhat stronger than the preceding quarter with increases of 10.9 percent to \$65,400 and 4.9 percent to \$104,200, respectively.

State Home Resales

For the nation as a whole, total first quarter home sales including apartment condominiums and cooperatives decreased a modest 2.1 percent to a seasonally adjusted annual rate of 3,650,000 units, 8.3 percent below the preceding quarter.

It is instructive to note that there is indeed a regional character to housing market activity. This becomes apparent when we group the states on the basis of their quarter-to-quarter market performance. For example, the quarter-to-quarter decline in the overall market can be attributed to the weak performance of states in the

South and West. Eleven of the 17 southern states reported lower sales in the first quarter of 1988 with eight states reporting decreases of 10 percent or more. Likewise, 10 of the 13 states in the West registered declines. By contrast, an increasingly vigorous market in the Midwest pushed 10 of that region's 12 states to increases of 10 percent or more. Performance in the Northeast was mixed although overall volume was a little above the previous quarter.

Metropolitan Home Prices

Despite the depressing effect that a struggling oil industry has had on real estate markets in the "oil patch" states—not to mention agricultural ills in the Midwest farm belt—prices in other areas continue to appreciate handsomely, pushing prices to what have become regarded as "astonishingly high" or "unbelievable" levels. Obviously then, as home prices rise, additional areas enter the "select" group with median prices of \$150,000 or more. There are now two more metropolitan areas in the group than a year ago. They are Hartford (\$166,400) and the Los Angeles Area (\$159,900).

The other mets in this group are Orange County (Anaheim/Santa Ana MSA at \$183,800), Boston (\$176,900), Honolulu (\$198,400), New York/Northern New Jersey/Long Island (\$187,000), and San Francisco Bay Area (\$178,800).

Halvor M. Juul
Director

STATE HOME RESALES (Change from 4th Quarter 1987)

Down 10% or More

Alabama	New Hampshire
Arizona	South Carolina
Arkansas	Texas
Florida	Wyoming
Kentucky	
Louisiana	
Maine	
Maryland	
Montana	

Down 0.1 - 9.9%

Alaska	New Mexico
California	Oklahoma
Colorado	Oregon
Delaware	Pennsylvania
Idaho	Rhode Island
Illinois	Tennessee
Massachusetts	Wisconsin
Mississippi	
Nevada	

Up 0.1 - 9.9%

Connecticut
Georgia
Hawaii
Minnesota
New York
North Carolina
Ohio
Utah
Virginia

Up 10% or More

Distict of Columbia	South Dakota
Indiana	Vermont
Iowa	Washington
Kansas	West Virginia
Michigan	
Missouri	
Nebraska	
New Jersey	
North Dakota	

METROPOLITAN HOME SALES PRICE (Change from 1st Quarter 1987)

Down 10% or More

Albuquerque	Tulsa
Baton Rouge	West Palm Beach/
Columbus	Boca Raton/Delray
Dallas/Ft. Worth	Beach
Denver	
Des Moines	
El Paso	
Houston	
Kansas City	
Las Vegas	
Oklahoma City	
Salt Lake City/	
Ogden	
San Antonio	

Up 0.1 - 4.9%

Akron	Philadelphia
Baltimore	Phoenix
Boston	Portland
Charleston, SC	Riverside/San
Cincinnati	Bernadino
Ft. Lauderdale/	St. Louis
Hollywood/	Syracuse
Pompano	Tampa/St.
Indianapolis	Petersburg/
Knoxville	Clearwater
Lansing	
Louisville	
Miami/Hialeah	
Omaha	

Up 5.0 - 9.9%

Albany/Schenectady/Troy
Birmingham
Chattanooga
Chicago
Cleveland
Grand Rapids
Jacksonville
Memphis
Milwaukee
Minneapolis/St. Paul
Nashville/Davidson
Orlando
Rochester
Toledo

Up 10% or More

Orange County (Anaheim/
Santa Ana MSA)
Buffalo/Niagara Falls
Detroit
Hartford
Honolulu
Los Angeles Area
New York/Northern
New Jersey/Long Island
Providence
San Diego
San Francisco
Bay Area
Seattle/Tacoma
Washington, DC